

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 11919 021715 Z

50

ACTION EB-11

INFO OCT-01 EUR-25 IO-12 ADP-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01 RSR-01

/178 W

----- 087108

R 021157 Z MAY 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 9700

INFO USMISSION GENEVA

USMISSION BRUSSELS

LIMITED OFFICIAL USE PARIS 11919

PASS COMMERCE AND STR

E. O. 11652: N/A

TAGS: ETRD, GATT, US, FR

SUBJECT: GATT ARTICLE XXIII ACTION AGAINST FRANCE

REF: (A) STATE 75347

(B) PARIS 10810

SUMMARY: EMBASSY BELIEVES LAST PARA OF DRAFT NOTE TO GOF TRANSMITTED IN REFTEL COULD RESULT IN SOME DIFFICULTY IN FINALIZING ARRANGEMENTS WE HAVE WORKED OUT WITH GOF IN NEGOTIATIONS SINCE SEPTEMBER. IN GOF VIEW, USG STILL MAINTAINS FORMALLY ITS REQUEST FOR TERMINATION ALL QRS ON INDUSTRIAL PRODUCTS BY JANUARY 1, 1973, AND THEY WISH RESOLVE, AT LEAST FOR PRESENT, THIS ASPECT ART. XXIII QUESTION IN CONTEXT OVERALL SETTLEMENT. WE SUGGEST WE BE AUTHORIZED USE LANGUAGE SET FORTH BELOW TO REPLACE IT. ACTION REQUESTED: DEPARTMENT'S AGREEMENT TO NEW LANGUAGE FOR NOTE.

END SUMMARY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 11919 021715 Z

1. WE DISCUSSED DRAFT NOTE IN REFTEL INFORMALLY WITH PHAN VAN PHI (DREE) LATE LAST WEEK BEFORE HIS FINAL DEPARTURE FOR BRUSSELS TO TAKE UP NEW POSITION IN EC COMMISSION. AS WE SUSPECTED, HE WAS TROUBLED BY PROPOSED LAST PARA ON INDUSTRIAL PRODUCTS AND REMINDED US OF DIFFICULTY HE HAD HAD IN PERSUADING MININD TO GO ALONG WITH MAINTENANCE STATUS QUO IN VIEW SUBSTANTIAL PENETRATION FRENCH MARKET BY U. S. EXPORTS. PHAN VAN PHI NOTED THAT FORMAL U. S. POSITION ON THIS POINT WAS SET FORTH IN OUR AIDE- MEMOIRE OF MARCH 21, 1972, AND SUBSEQUENTLY RENEWED IN OUR AIDE- MEMOIRE OF SEPTEMBER 11, 1972 (PARIS A-813) AND IN U. S. REPRESENTATIVE' S STATEMENT AT SEPTEMBER 19, 1972 GATT COUNCIL MEETING (GENEVA A-541).

2. RECOGNIZING THAT THIS FORMAL USG POSITION WAS OVERTAKEN BY OUR INFORMAL, ORAL OFFER IN OCTOBER (STATE 189097) TO WITHDRAW ITS REQUEST FOR TERMINATION OF LICENSING REQUIREMENTS, PHAN VAN PHI SAID THAT IN DRAFTING GOF NOTE OF MARCH 28 HE SIMPLY WISHED TO FORMALIZE THIS SITUATION . HE NOTED THAT HE IS AWARE OF OUR CONCERN OVER THE POSSIBLE EFFECTS OF GOF LIBERALIZATION OF IMPORTS THESE PRODUCTS FROM UK, BUT EXPRESSED STRONG DOUBT THAT THERE WOULD BE ANY DAMAGE TO U. S. TRADE (REF B). IN ANY CASE, HE POINTED OUT, USG RESERVATION OF ITS RIGHT TO REOPEN MATTER IF CONDITIONS CHANGE WOULD PERMIT US TO DO SO AT ANY TIME.

3. EMBASSY AGREES WITH IHAN VAN PHI' S REASONING ON THIS POINT. WE THINK LANGUAGE ALONG LINES PARA 4 BELOW WOULD ENABLE US SATISFY GOF DESIRE TO LAY THIS ISSUE TO REST FOR PRESENT TIME WITHOUT COMPROMISING OUR RIGHT TO REOPEN IT IF ANY EVIDENCE EMERGES THAT U. S. EXPORTS ARE BEING DISADVANTAGED VIS- A- VIS UK EXPORTS. AS WE INDICATED IN REF B, A RECENT SOUNDING OF ELECTRONIC COMPONENT IMPORTERS ON THE EFFECT OF THE FRENCH LIBERALIZATION OF IMPORTS OF THESE PRODUCTS FROM THE UK TURNED UP NO EVIDENCE OF ANY DAMAGE TO U. S. TRADE. THIS IS NOT TO SAY THAT SUCH DAMAGE MAY NOT OCCUR, BUT EMBASSY BELIEVES WE WILL NEED AT LEAST ONE YEAR OF TRADE EXPERIENCE BEFORE WE WILL BE ABLE TO TELL. NATURALLY, WE WILL REMAIN IN CLOSE TOUCH WITH INPORTERS ON THIS QUESTION AND WILL KEEP THE DEPARTMENT INFORMED OF ANY ADVERSE DEVELOPMENTS.

4. EMBASSY THEREFORE RECOMMENDS IT BE AUTHORIZED TO REPLACE THE LAST
PARA OF NOTE TO GOF IN REF A WITH THE FOLLOWING LANGUAGE DRAWN IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 11919 021715 Z

PART FROM STATE 189097 OF 17 OCTOBER 1972: QUOTE. WITH REGARD TO THE INDUSTRIAL PRODUCTS COVERED BY THE ARTICLE XXIII PROCEDURE REFERRED TO IN PARAGRAPH I OF THE MARCH 28 NOTE TO THE GOVERNMENT OF FRANCE, THE UNITED STATES GOVERNMENT WITHDRAWS ITS REQUEST OF MARCH 1972 THAT FRANCE REMOVE THE LICENSING REQUIREMENT FOR

IMPORTS

OF SEMICONDUCTORS, ASSEMBLIES INCORPORATING SEMICONDUCTORS, AND
PARTS BY JANUARY 1, 1973. THE US RESERVES ITS RIGHT TO REFER TO THE
MATTER IN THE FUTURE IF CONDITONS WARRANT. END QUOTE.

5. ACTION REQUESTED: WASHINGTON AGREEMENT TO NEW LAST PARA OF
NOTE. EXEMPT
IRWIN

LIMITED OFFICIAL USE
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: willialc
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973PARIS11919
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730533/aaaahike.tel
Line Count: 125
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: willialc
Review Comment: n/a
Review Content Flags:
Review Date: 16 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Aug-2001 by izenbei0>; APPROVED <01-Oct-2001 by willialc>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 971113
Subject: N/A
TAGS: ETRD, FR, US, GATT
To: BRUSSELS
EB
GENEVA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005